PROVINCE OF
PRINCE EDWARD ISLAND

# FORTY-SECOND ANNUAL REPORT

FOR THE YEAR ENDED MARCH 31ST
1990

# LIQUOR CONTROL COMMISSION

91-03680/

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The Honourable Keith Milligan
Minister
Department of Agriculture
Province of Prince Edward Island
Charlottetown, P. E. I.

Sir:

In compliance with Section 94(3) of the P.E.I. Liquor Control Act, I have the honor to submit the Forty-second Annual Report of the Prince Edward Island Liquor Control Commission covering the fiscal year April 1, 1989, to March 31, 1990.

Respectfully Submitted,

W. STANHOPE MOORE
Chairman and
Chief Executive Officer

# OPERATIONAL REVIEW

The Prince Edward Island Liquor Control Commission (P.E.I.L.C.C.) is a Prince Edward Island Crown Corporation responsible for the administration of the Liquor Control Act and Regulations, as well as for the purchase and sale of all beveraged alcohol in the Province.

The Commission, which is responsible to the Minister of Agriculture, consists of the Chairman and Chief Executive Officer, Secretary, and Commission Member. Senior operational, administrative, and licensing management personnel are responsible to the Commission for the execution of the corporation's activities.

The Commission has developed a vision for the 90's focusing on providing the most efficient system of distribution of beveraged alcohol to the public, maintaining a high level of customer service, and maximizing revenues to the Minister of Finance while keeping in mind Government policies.

The Commission is in the process of establishing a strategic plan in order to meet the challenges in the 90's while keeping in mind the Commission must operate in a socially responsible manner. In the strategic plan, the Commission will be faced with accepting new challenges in order to meet the changing demands of our customer and the environment in which we operate. The Commission can no longer "run" liquor stores, we have to become merchants and expand our product lines and increase our merchandising techniques. To meet our objectives, the Commission is focusing on the areas of increased electronic communications between stores and Head Office, staff training, environmental issues, and a complete review of current systems.

**Finance & Administration**

For the fiscal year ended March 31, 1990, gross sales were Fifty-Two Million, Three Hundred and Sixty-Eight Thousand Three Hundred and Eighteen Dollars ($52,368,318.00). This is an increase of 4.3% over 1988-89 fiscal year. Net profit for the year, plus health and sales taxes, totalled Twenty-Two Million, Seven Hundred and Twenty Thousand, One Hundred and Eighty-Four Dollars ($22,720,184.00). This represents an increase of 4% over 1988-89 fiscal year.

During the fiscal year, the Commission has computerized the General Ledger and various other aspects of the accounting system. It is the long term objective of the Commission to continue the expansion of computerization through to the store point-of-sale system.

**Operations**

The P.E.I. Liquor Control Commission presently operates fifteen (15) retail outlets of which thirteen (13) are self-service in design and two (2) are conventional or counter-type.

In addition, the Commission operates a central warehouse and Licensee Distribution Centre located in Parkdale on the outskirts of Charlottetown.

Further expansion is planned into the Tyne Valley area, and the Commission is committed to providing Island residents with increased availability, a larger and diversified product line, and quality service by Liquor Commission staff.

**Licensing**

The Licensing & Security Department remained active during the 1989-90 fiscal year. The year saw the three liquor inspectors perform 4,143 inspections at licensed premises. During these inspections, they have checked 420 people for proper age identification, dealt with control, overserving, overcrowding, and other areas of this responsibility.

The Inspection Staff performed seven (7) special investigations in addition to their regular duties. These investigations involved areas pertaining to minors, overserving of patrons, operation outside of hours, underage servers, and liquor entering premises illegally.

As a result of these investigations, four (4) licensed premises were given suspensions for violations of the Liquor Control Act and Regulations.

The Licensing and Security Department has been actively promoting responsible service of alcohol, and in this area, has put on 13 seminars involving approximately 150 people. These seminars cover responsible service of alcohol and the Liquor Control Act and Regulations. The Department plans to continue efforts in this direction during the coming year.

Members of the Licensing and Security Department have been actively participating on the Advisory Committee on Impaired Driving, the Implementation Committee on Impaired Driving, and the T.I.A.P.E.I. initiative on Responsible Service of Alcohol. These committees have been instrumental in the creation and implemention of recommendations put forth in the Advisory Committee on Impaired Driving Report to the P.E.I. Government resulting in changes in legislation in the area of impaired driving and the creation of a Server Intervention Program.

Part of the Licensing & Security Department's function is to ensure proper security is maintained at Commission Stores. In this area the staff have performed 151 checks, and as a result, our equipment has been upgraded. This practice will continue in the next fiscal year.

The Licensing & Security Department acknowledges the valuable assistance of the R.C.M.P.; the Charlottetown, Summerside, and Borden Police Departments, and other enforcement agencies throughout the Province as well as all other Government Departments.

## PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION
## ANALYSIS OF SALES BY RETAIL STORES
**(For The Year Ended March 31, 1990)**

| | NET SALES | | |
|---|---|---|---|
| | Year Ended March 31, 1990 | Year Ended March 31, 1989 | Increase (Decrease) |
| ALBERTON | $ 999,194.09 | $ 961,845.52 | $ 37,348.57 |
| BORDEN | 898,725.12 | 854,515.45 | 44,209.67 |
| CARDIGAN | 1,754,998.24 | 2,900,933.04 | (1,145,934.80) |
| CH'TOWN - QUEEN ST. | 2,780,724.61 | 2,652,680.18 | 128,044.43 |
| KENSINGTON | 1,204,302.96 | 1,163,135.52 | 41,167.44 |
| LICENSEE DIST. CENTER | 4,359,870.91 | 4,294,592.88 | 65,278.03 |
| MONTAGUE | 2,265,103.18 | 781,104.96 | 1,483,998.22 |
| NORTH RUSTICO | 1,599,169.95 | 1,523,897.33 | 75,272.62 |
| O'LEARY | 1,003,676.21 | 975,083.82 | 28,592.39 |
| ROYALTY MALL | 6,663,333.79 | 6,569,896.26 | 93,437.53 |
| SHERBROOKE | 3,388,568.20 | 3,232,511.62 | 156,056.58 |
| SOURIS | 1,702,801.48 | 1,658,036.60 | 44,764.88 |
| SUMMERSIDE | 2,731,425.52 | 2,676,666.17 | 54,759.35 |
| TIGNISH | 1,304,715.17 | 1,226,693.66 | 78,021.51 |
| TOWERS | 5,725,954.94 | 5,448,081.61 | 277,873.33 |
| WAREHOUSE (SUNDRY) | 56,688.27 | 53,428.09 | 3,260.18 |
| WELLINGTON | 926,255.01 | 795,645.89 | 130,609.12 |
| | $39,365,507.65 | $37,768,748.60 | $1,596,759.05 |

## PRINCE EDWARD ISLAND
## LIQUOR CONTROL COMMISSION
## SUMMARY OF PROFIT AND EXPENSE RATIOS (IN OOO'S)

**(For The Years Ended 1986-1990)**

| | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|
| SALES | 44,065 | 45,515 | 48,130 | 50,222 | 52,368 |
| GROSS PROFIT | 12,553 | 12,954 | 13,855 | 14,240 | 14,809 |
| NET PROFIT | 8,544 | 8,927 | 9,413 | 9,401 | 9,717 |
| GENERAL AND ADMINISTRATIVE EXPENSES | 4,185 | 4,215 | 4,679 | 5,067 | 5,387 |
| GROSS PROFIT AS % OF SALES | 28.5 | 28.5 | 28.8 | 28.4 | 28.3 |
| NET PROFIT AS % OF SALES | 19.4 | 19.6 | 19.6 | 18.7 | 18.6 |
| GENERAL & ADMINISTRATIVE EXPENSES AS % OF SALES | 9.5 | 9.3 | 9.7 | 10.1 | 10.3 |

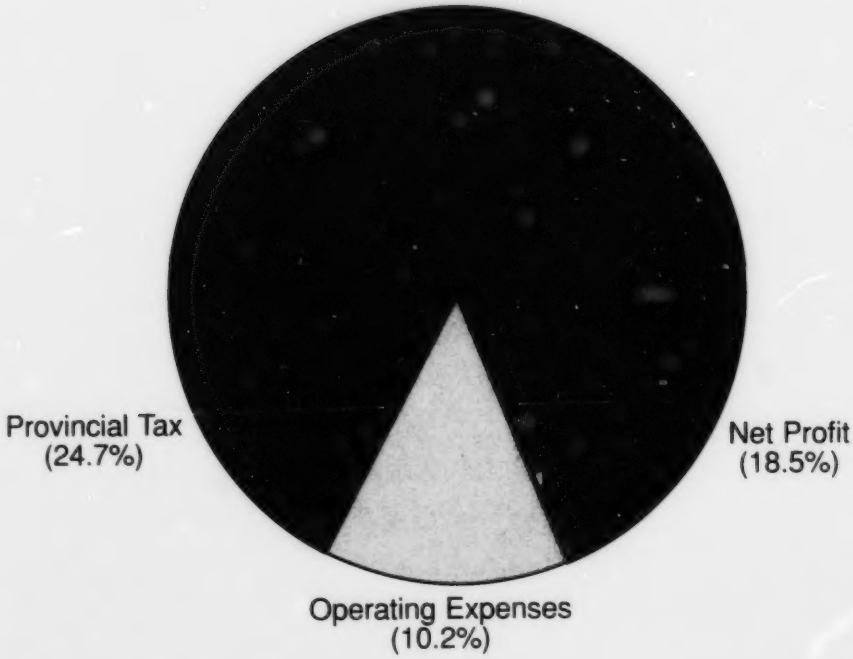
## COMPARATIVE STATEMENT

| | Gross Sales | Health Tax | Sales Tax | Gross Profit | Net Profit |
|---|---|---|---|---|---|
| 1967 | 7,273,136 | 628,138 | 363,659 | 2,330,301 | 2,025,426 |
| 1968 | 8,190,658 | 707,375 | 409,533 | 2,703,928 | 2,332,440 |
| 1969 | 9,038,301 | 780,581 | 451,915 | 3,000,284 | 2,606,209 |
| 1970 | 9,738,688 | 825,960 | 653,127 | 3,239,826 | 2,806,100 |
| 1971 | 10,639,885 | 899,554 | 744,792 | 3,554,861 | 3,056,251 |
| 1972 | 11,912,815 | 995,573 | 952,287 | 4,030,737 | 3,471,592 |
| 1973 | 13,614,618 | 1,137,732 | 1,088,265 | 4,701,365 | 3,981,712 |
| 1974 | 15,682,662 | 1,311,641 | 1,254,613 | 5,439,661 | 4,474,827 |
| 1975 | 17,977,409 | 1,503,565 | 1,438,193 | 6,138,729 | 4,985,202 |
| 1976 | 21,371,136 | 1,787,404 | 1,709,691 | 7,240,505 | 5,767,823 |
| 1977 | 21,620,540 | 1,843,287 | 1,344,387 | 7,466,755 | 5,793,464 |
| 1978 | 24,287,799 | 2,005,822 | 1,500,260 | 8,366,564 | 6,482,257 |
| 1979 | 25,258,836 | 2,156,123 | 1,541,483 | 8,716,321 | 6,688,570 |
| 1980 | 27,602,661 | 2,354,594 | 1,702,124 | 9,783,207 | 7,506,780 |
| 1981 | 29,922,380 | 2,662,073* | 2,055,181 | 10,358,624 | 7,819,513 |
| 1982 | 35,072,507 | 6,120,627 | 2,440,237 | 10,452,764 | 7,313,442 |
| 1983 | 38,904,314 | 6,819,570 | 2,688,211 | 11,410,630 | 7,906,428 |
| 1984 | 41,303,258 | 7,249,723 | 2,826,817 | 12,101,846 | 8,385,392 |
| 1985 | 43,363,896 | 7,634,874 | 2,977,486 | 12,297,568 | 8,617,835 |
| 1986 | 44,065,615 | 7,772,890 | 3,046,443 | 12,553,475 | 8,544,146 |
| 1987 | 45,514,685 | 8,072,811 | 3,159,037 | 12,953,662 | 8,927,004 |
| 1988 | 48,129,989 | 8,547,175 | 3,349,680 | 13,855,014 | 9,413,261 |
| 1989 | 50,221,539 | 8,938,039 | 3,514,752 | 14,240,459 | 9,400,730 |
| 1990 | 52,368,318 | 9,327,801 | 3,675,009 | 14,808,723 | 9,717,394 |

*Note: Provincial Health Tax Increased from 10 - 25% March 13/81

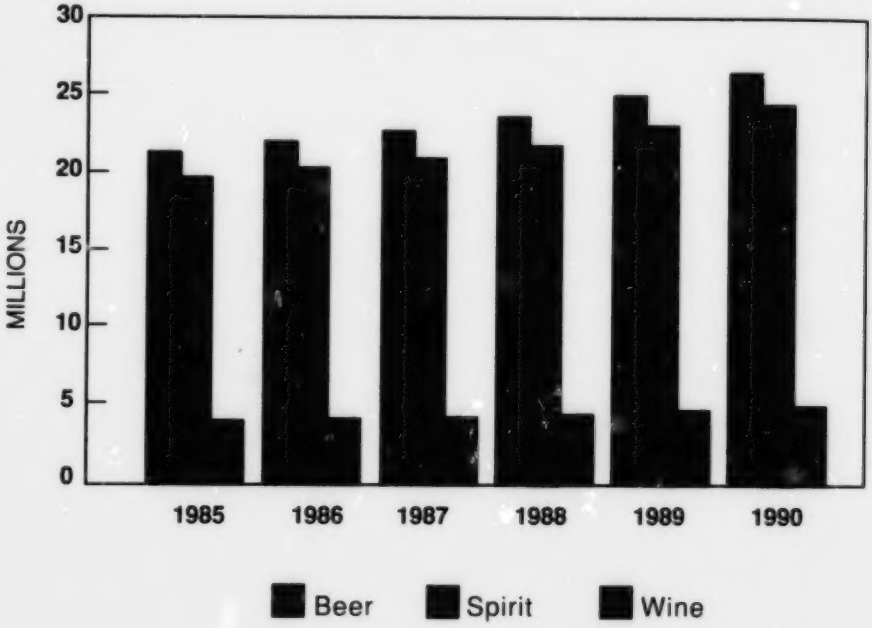
## DISTRIBUTION OF GROSS INCOME

FOR THE YEAR ENDED MARCH 31, 1990



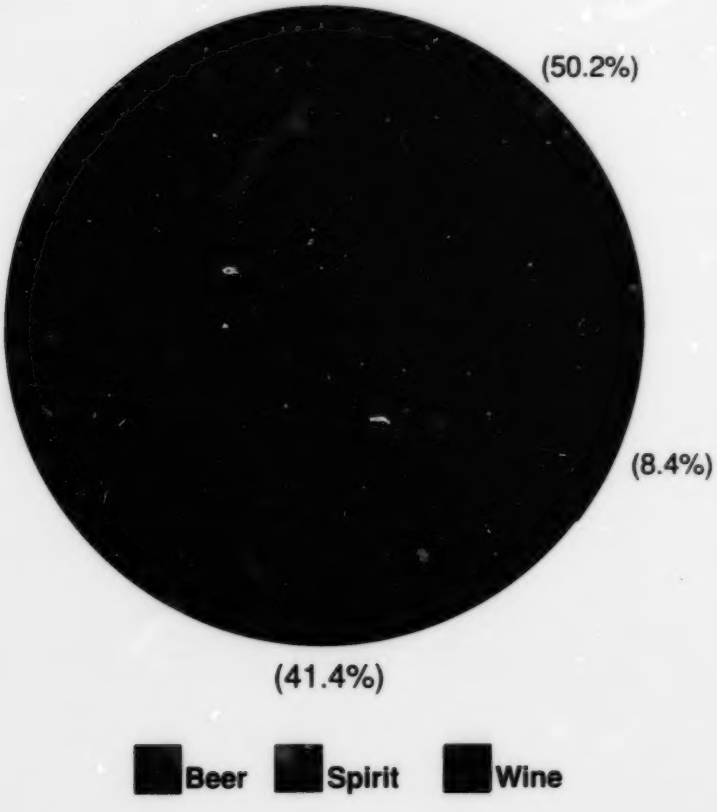
## P.E.I. LIQUOR CONTROL COMMISSION

### RETAIL VALUES OF LIQUOR SOLD 1985 - 1990



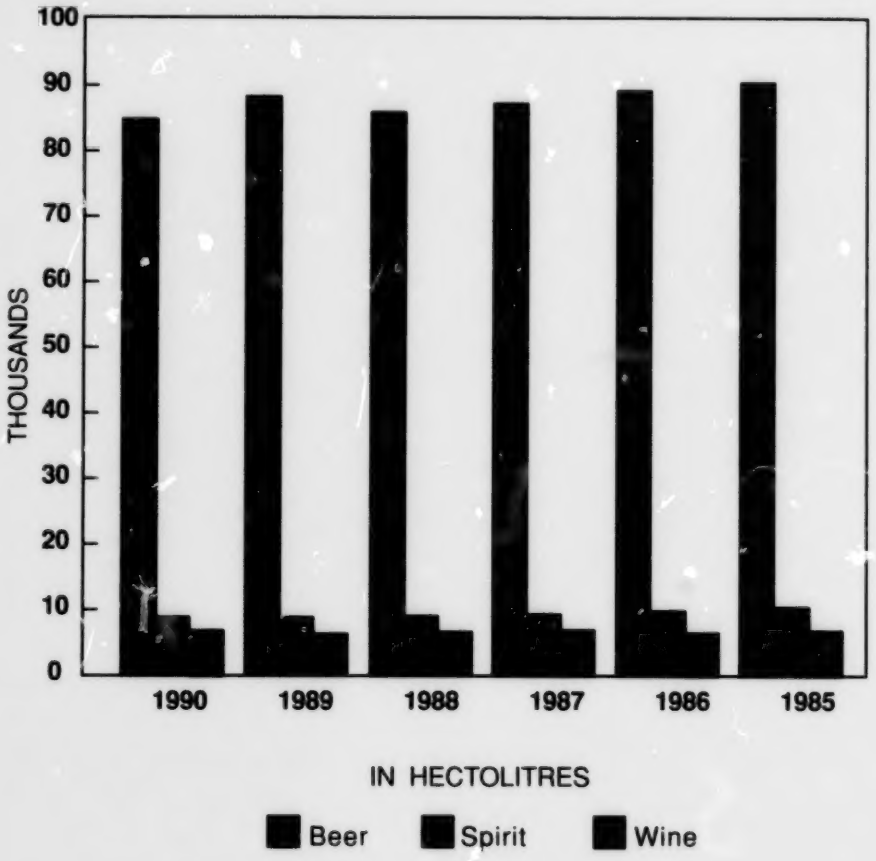
## P.E.I. LIQUOR CONTROL COMMISSION

**SALES — 1989 / 1990**



## P.E.I. LIQUOR CONTROL COMMISSION

### VOLUME COMPARISON — 1985 — 1990



## LICENSES IN EFFECT AS OF MARCH 31, 1990 AND IN COMPARISON WITH 1989

| | 1990 | 1989 |
|---|---|---|
| **1. MILITARY CANTEEN LICENSES** | **26** | **25** |

*Military Canteen Licenses were granted to:*

"B" Squadron All Ranks, Summerside

| | | |
|---|---|---|
| **2. CLUB LICENSES** | **72** | **72** |

*Club Licenses were granted to:*

Sports Page
Union Hall & Recreation Centre
Alberton Lions Club
Dundas Lions Club

| | | |
|---|---|---|
| **3. DINING ROOM LICENSES** | **138** | **134** |

*Dining Room Licenses were granted to:*

Rod & Reel
Chevy's Cavendish
Rascals
Aberdeen Restaurant
Swensen's Family Restaurant
Le Lai Restaurant
Stagecoach Restaurant
Queen's Arms Restaurant
New London Wharf Restaurant
Land & Sea Restaurant
Stan of Green Gables
Millstream Barn & Corral Restaurant
Thibeaus Fine Dining
Silver Stream Restaurant
Travellers Inn & Convention Centre
Paul's Diner
G & E Take-Out
Pleasant View Campground
Tyne Valley Inn
D. J. Country Kitchen
Shining Waters Tea Room
Hilltop Motel
Inn At Bay Fortune
Selkirk Lobster Suppers
St. Margarets Community Hall Suppers
Peakes Quay
Village Inn Restaurant
Captain Dick's
Range & Reefe

| | | | |
|---|---|---|---|
| **4.** | **LOUNGE LICENSES** ..... | **66** | **63** |

*Lounge Licenses were granted to:-*

Travellers Inn & Convention Centre
Pleasant View Campground
Land & Sea Lounge
Peakes Quay
Jerry's Restaurant & Lounge
Seabreeze Lounge
Paul's Diner
Millstream Barn
Gordie's Lounge
Rascal's Lounge
Capt. Dick's
D. J.'s Country Kitchen
Chevy's Cavendish
Village Inn Lounge
Rod & Reel Lounge

| | | | |
|---|---|---|---|
| **5.** | **SPECIAL PREMISES LICENSES** ..... | **2** | **1** |

*Special Premises Licenses were granted to:*

Green Gables Golf Club

| | | | |
|---|---|---|---|
| **6.** | **CATERER'S LICENSES** ..... | **1** | **0** |

*Caterer's Licenses were granted to:*

Shakers Ltd.

## LICENSES VOLUNTARILY SURRENDERED OR NOT RENEWED AND IN COMPARISON WITH 1989

| | 1990 | 1989 |
|---|---|---|
| **1. CLUB LICENSES** | 4 | 1 |

*Licenses Surrendered or Not Renewed:*

Masonic Temple
Ellerslie Lions Club
Federation of Labour
Summerside Club

| | | |
|---|---|---|
| **2. DINING ROOM LICENSES** | 25 | 6 |

*Licenses Surrendered or Not Renewed:*

Netherstone Inn
R & B Burger
Lindy's Restaurant
Papa's Place
Surf & Bull Restaurant
Old Opry Inc.
Capt. Dick's
Lamplight Restaurant
Sandy's Good Food & Good Times
Bud's Fish & Chips
Stan of Green Gables
A. J.'s Bar & Grill
Range & Reefe
Rascals
Queens Arms Restaurant
Rod & Reel Restaurant
Cavendish Pub
Anne's Place
Gilligans
Land & Sea
West Island Inn
Folland Family Restaurant
Garden Restaurant
Watts Restaurant
Brackley Beach Pizza Hall

| | | | |
|---|---|---|---|
| 3. | **LOUNGE LICENSES** | **12** | **3** |

*Licenses Surrendered or Not Renewed:-*

Stairway Lounge
Ship To Shore Lounge
Gilligans
Lamplight Lounge
Sandys Good Food & Good Times
Land & Sea
Oyster Bar Lounge
Rascals Lounge
Capt. Dick's
Cavendish Pub
Rod & Reel
A. J.'s Bar & Grill

| | | | |
|---|---|---|---|
| 4. | **MILITARY CANTEEN LICENSES** | **0** | **0** |

## SUMMARY OF LICENSES IN EFFECT

| | | |
|---|---|---|
| Military Canteen | **26** | **25** |
| Club | **72** | **72** |
| Dining Room | **138** | **134** |
| Lounge | **66** | **63** |
| Special Premises License | **2** | **1** |
| Caterer's License | **1** | **0** |
| | **305** | **295** |

During the 1989-90 fiscal year, the Licensing Department issued 51 new licenses and 41 licenses were either not renewed or were voluntarily surrendered.

## PERMITS ISSUED

| | |
|---|---|
| Class I | **112** |
| Class II | **709** |
| | **821** |

## WAITER'S LICENSES ISSUED

| | |
|---|---|
| Waiter's Licenses Issued | **1,240** |

## AUDITOR'S REPORT

To the Commissioners of the
Prince Edward Island Liquor Control Commission

I have examined the balance sheet of the Prince Edward Island Liquor Control Commission as at March 31, 1990 and the statement of income for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
June 8, 1990

**STATEMENT 1**

## PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

### BALANCE SHEET
### MARCH 31, 1990

**(with comparative figures at March 31, 1989)**

### ASSETS

**CURRENT ASSETS**

| | 1990 | 1989 |
|---|---|---|
| Cash | $ 793,572 | $ 463,908 |
| Accounts receivable | 24,491 | 13,860 |
| Inventories - Note 1(b) | 2,398,130 | 2,267,968 |
| Prepaid expenses | 75,116 | 58,079 |
| | 3,291,309 | 2,803,815 |
| **FIXED ASSETS** | | |
| Land, buildings and equipment at cost less accumulated depreciation— Notes 1(a) and 4 | 1,385,754 | 1,442,930 |
| Leasehold Improvements at cost less accumulated amortization Notes 1(a) and 5 | 236,119 | 275,872 |
| | 1,621,873 | 1,718,802 |
| | $4,913,182 | $4,522,617 |

**STATEMENT 1 (Continued)**

## PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

### BALANCE SHEET
### MARCH 31, 1990
**(with comparative figures at March 31, 1989)**

### LIABILITIES

**CURRENT LIABILITIES**

| | 1990 | 1989 |
|---|---|---|
| Trade accounts payable | $ 849,002 | $ 932,206 |
| Accounts payable - other | 162,351 | 231,699 |
| Accrued interest | 22,679 | 30,768 |
| Deferred revenue | 5,250 | 4,925 |
| Debentures payable — Current portion - Note 3 | 172,965 | 152,303 |
| Due to the Minister of Finance - Note 1(c) | 2,252,027 | 1,604,217 |
| | 3,464,274 | 2,956,118 |

**LONG TERM LIABILITIES**

| | | | | |
|---|---|---|---|---|
| Due to the Minister of Finance with respect to net fixed assets — non-interest bearing — Note 1(c) | | 901,995 | | 846,621 |
| Debentures payable — Note 3 | $719,878 | | $872,181 | |
| Less: Current portion | 172,965 | 546,913 | 152,303 | 719,878 |
| | | 1,448,908 | | 1,566,499 |
| | | $4,913,182 | | $4,522,617 |

(Notes 1 to 6 are an integral part of these financial statements)

ON BEHALF OF THE COMMISSION:

COMMISSIONER: STAHOPE MOORE

COMMISSIONER: COLSTON WOOD

**STATEMENT 2**

## PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

### STATEMENT OF INCOME
### FOR THE YEAR ENDED MARCH 31, 1990

**(with comparative figures for the year ended March 31, 1989)**

| | | 1990 | | 1989 |
|---|---|---|---|---|
| SALES | | $52,368,318 | | $50,221,539 |
| Less: Provincial Health Tax | $9,327,801 | | $8,938,039 | |
| Provincial Sales Tax | 3,675,009 | 13,002,810 | 3,514,752 | 12,452,791 |
| NET SALES | | 39,365,508 | | 37,768,748 |
| COST OF GOODS SOLD | | | | |
| Beginning Inventory | 2,267,968 | | 2,452,174 | |
| Purchases | 24,686,947 | | 23,344,083 | |
| | 26,954,915 | | 25,796,257 | |
| Ending Inventory | 2,398,130 | 24,556,785 | 2,267,968 | 23,528,289 |
| GROSS PROFIT | | 14,808,723 | | 14,240 159 |
| EXPENSES | | | | |
| Salaries and employee benefits - Note 6 | 3,812,396 | | 3,586,790 | |
| Rent - Note 2 | 305,369 | | 254,709 | |
| Heat and electricity | 185,004 | | 191,753 | |
| Store supplies and office expense | 179,802 | | 180,019 | |
| Depreciation | 252,716 | | 234,330 | |
| Repairs and maintenance | 185,245 | | 166,665 | |
| Insurance and taxes | 104,714 | | 107,702 | |
| Interest on long term debt | 102,910 | | 103,676 | |
| Travel | 82,389 | | 71,936 | |
| Professional services | 13,269 | | 28,108 | |
| Miscellaneous | 64,423 | | 65,784 | |
| Telephone and telecommunications | 38,150 | | 38,610 | |
| Delivery | 18,733 | | 27,159 | |
| Computer Services | 23,046 | | 9,854 | |
| Security | 14,821 | | — | |
| Promotional material | 3,640 | 5,386,627 | — | 5,067,095 |
| | | 9,422,096 | | 9,173,364 |
| OTHER INCOME | | 295,278 | | 227,366 |
| NET INCOME - Note 1(c) | | $ 9,717,374 | | $ 9,400,730 |

(Notes 1 to 6 are an integral part of these financial statements)

# PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

## NOTES TO FINANCIAL STATEMENTS
## MARCH 31, 1990

1. **Summary of significant accounting policies**

   **(a) Depreciation and Amortization**

   Depreciation of buildings, furniture and equipment and amortization of leasehold improvements are calculated on a straight line basis at the rates indicated in Notes 4 and 5.

   **(b) Inventories**

   Inventories are valued at cost based on the latest invoice price which is not in excess of net realizable value.

   **(c) Net Income**

   All net income of the Commission accrues directly to the Province. Transfers of net income are made to the Consolidated Fund on a continuing basis as excess cash becomes available. Any funds received from operations which are used to finance net additions to fixed assets are withheld by the Commission and treated as long term loans from the Province.

2. The Prince Edward Island Liquor Control Commission leases seven retail outlets. All of these retail outlets have written lease agreements and the maturity dates for these leases are between 1990 and 1996. The leases have a total basic yearly rent of approximately $288,890.

3. Debentures Payable - Province of Prince Edward Island

| | Balance March 31, 1990 | Less Current Portion | Long Term Liability |
|---|---|---|---|
| **Licensee Distribution Centre** | | | |
| Repayable in equal annual installments of $75,764 including interest @ 12.5% per annum, maturing November 1, 1990. | $ 67,237 | $ 67,237 | $ — |
| **North Rustico** | | | |
| Repayable in equal annual installments of $64,295 including interest @ 15.5% per annum, maturing September 1, 1991. | 103,799 | 48,206 | 55,593 |
| **Kensington** | | | |
| Repayable in equal annual installments of $24,363 including interest @ 18% per annum, maturing January 1, 1992. | 38,008 | 17,427 | 20,581 |

| | Balance March 31, 1990 | Less Current Portion | Long Term Liability |
|---|---|---|---|
| **O'Leary** | | | |
| Repayable in equal annual installments of $52,553 including interest @ 11.75% per annum, maturing February 1, 1998. | $263,361 | $ 21,608 | $241,753 |
| **Wellington** | | | |
| Repayable in equal annual installments of $17,159 including interest @ 11.25% per annum, maturing February 1, 1998. | 85,517 | 7,313 | 80,204 |
| **Montague** | | | |
| Repayable in equal annual installments of $29,169 including interest @ 11.25% per annum, maturing March 1, 1999. | 159,956 | 11,174 | 148,782 |
| | $719,878 | $172,965 | $546,913 |

4. Fixed assets at cost less accumulated depreciation consist of the following:

| | Depreciation Rate | 1990 Cost | 1990 Accumulated Depreciation | 1990 Net Book Value | 1989 Net Book Value |
|---|---|---|---|---|---|
| Land | — | $ 100,157 | $ — | $ 100,157 | $ 100,157 |
| Buildings | 5% | 2,984,805 | 1,953,199 | 1,031,606 | 1,171,420 |
| Equipment | 10-33% | 691,672 | 437,681 | 253,991 | 171,353 |
| | | $3,776,634 | $2,390,880 | $1,385,754 | $1,442,930 |

5. Leasehold improvements are amortized over the terms of the leases.

| | 1990 Cost | 1990 Accumulated Amortization | 1990 Net Book Value | 1989 Net Book Value |
|---|---|---|---|---|
| Leasehold Improvements | $429,308 | $193,189 | $236,119 | $275,872 |

6. Benefits: The employees of the Liquor Control Commission are entitled to pension benefits under the terms of their employment. The employer's share of the benefits plus any additional future actuarial liabilities are assumed by the Province of P.E.I. and are not reflected in the Commission's financial statements.